OPENDoors

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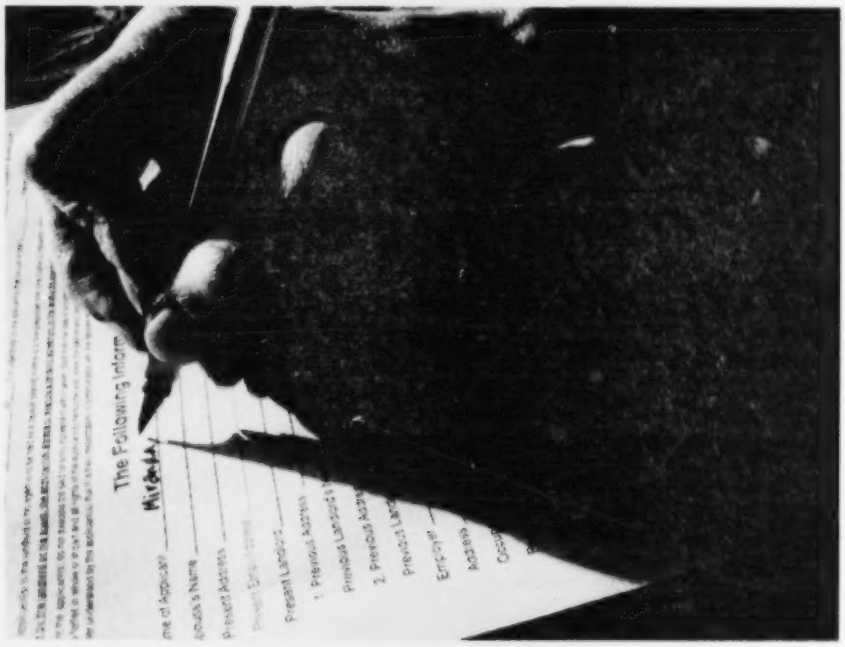

Before you sign, read and understand your agreement

It's always a good idea to read carefully — and understand — any contract before signing on the dotted line.

"A tenancy agreement is a contract between a landlord and a tenant for the occupancy of a rental unit," says Linda Wray, manager of Client Services at the Residential Tenancies Branch (RTB). "Tenancy agreements are often called leases and may be written, oral or implied."

Wray says a tenancy agreement includes:

- date the tenancy begins and ends, either month-to-month or a fixed-term, such as January 1 to December 31
- amount of the rent and date it must be paid
- details of what is included in the rent, such as utilities or parking
- names of the people who will live in the rental unit with the tenant
- utilities the tenant is responsible to pay
- rules and conditions from The Residential Tenancies Act and the landlord's own reasonable house rules, such as allowing one small pet per unit.

RTB staff can provide copies of the standard residential tenancy agreement. Some retail stores also sell similar forms. Landlords can create their own tenancy agreements as long as they follow the law and include all of the information from the standard forms.

A written tenancy agreement must be signed by the landlord and the tenant. The landlord must provide the tenant with a signed copy of the agreement within 21 days of its signing.

Renewing a Lease

Whenever a landlord and tenant sign a fixed-term tenancy agreement, it must eventually be renewed or ended.

"A landlord must give a tenant a new tenancy agreement or a renewal agreement at least three months before the existing one expires," says Wray. "An exception to the rule occurs when a landlord gives proper, written notice to end a fixed-term tenancy agreement."

The new agreement must be for the same length of time with the same benefits and obligations as the existing one. It may also include a rent increase, according to the annual rent increase guideline. Landlords wanting to raise the rent beyond the guideline must apply to the RTB.

"Landlords and tenants can agree to change the terms of the new tenancy agreement or to add different benefits and obligations," says Wray. "Any changes must be written into the new agreement."

When landlords give their tenants a new, fixed-term agreement, they must also let the tenants know in writing that:

- → tenants may continue to live in the rental unit
- → tenants must return the signed agreement to the landlord at least two months before the existing agreement ends, if they intend to continue to live in the unit. (If the agreement is not returned, landlords should check with the tenants to clarify their intentions.)
- → if the new tenancy agreement increases the rent by more than the guideline set for that year, tenants may sign the agreement and still have the right to end the agreement later with notice of two rental payment periods. (The tenants' right to give notice is in effect from the date they receive notice that the landlord is applying for a rent increase above the guideline to 14 days after the branch or the Residential Tenancies Commission rules on the landlord's rent increase application.)

If landlords fail to give tenants a new tenancy agreement on time and tenants continue to live in the rental unit after the end of the existing tenancy agreement, the lease is renewed for another equal term or 12 months, whichever is less. In these cases, tenants may terminate the renewal agreement by giving landlords notice of one rental payment period. Landlords may still increase rent during the term of the renewed agreement, after giving the tenants three months' written notice.

Tenancy may become month-to-month if the tenant:

- → does not return a new, signed tenancy agreement or a renewal to the landlord and
- → does not move out of the unit and
- → pays rent to the landlord after the current tenancy agreement ends

All About Rent Discounts

Tenants may hear more often about rent increases, but rent discounts are also possible.

A rent discount is a written agreement between a landlord and a tenant allowing a tenant to pay less than the allowable rent. A rent discount can:

- → be for a certain period of time, such as a year
- → be a one-time, bonus offer, such as one month's free rent
- → have certain conditions, such as paying rent on time, to qualify for the discount
- → take the form of free parking

Landlords may include the discount offer in the original tenancy agreement or add it later with signatures from landlord and tenant. A copy of the agreement must be given to the tenant.

"A rent discount on a fixed-term tenancy agreement applies to the full term of the agreement, unless there is a written time limit," says Ernie Gagnon, RTB's manager of Rent Regulation. "For example, the tenancy agreement may be from January 1 to December 31 but the discount may apply only from January 1 to June 30."

Gagnon says landlords must give tenants written notice—at least three months in advance—if a discount will be reduced or discontinued.

It is important to note that eliminating the discount on a rental agreement is not considered a rent increase. Landlords may also calculate rent increases based on the allowable rent. For example, if the allowable rent is $550 per month with a $50 discount, any rent increase is based on $550.

"The exception to this rule occurs when a landlord charges a tenant a lower rent than the allowable rate without putting the agreement in writing," says Gagnon. "The landlord has then officially lowered the rent and any future increases must be based on the reduced amount."

Co-signers and Guarantors: When and Why

Landlords may ask prospective tenants to have a co-signer or guarantor to ensure the rent is paid. Co-signers/guarantors might be requested when the applicant:

- → has never rented before
- → has no character references
- → hasn't enough regular income to pay the rent

"It is against The Human Rights Code for everyone in a particular group to be required to have co-signers," says Nick Trusewych, manager, Adjudication Services. "For example, any policy or procedure requiring all income assistance recipients provide a guarantor is against the law."

When co-signers are needed, landlords have the right to ask them to complete a tenancy application. The information will help landlords determine if the co-signer or guarantor can pay for the rent or property damage. Landlords must give a copy of the tenancy agreement to the co-signer or a copy of any separate agreement or guarantee to the guarantor.

The co-signer's agreement ends when the fixed-term tenancy agreement ends and cannot be cancelled earlier.

"A landlord may ask for a co-signer on a tenancy agreement renewal if it was required for the previous agreement," says Trusewych. "This requirement might come into effect when a tenant is a student and not always earning enough money to cover the rent."

Separate from the tenancy agreement, a guarantee must identify.

- → the related agreement
- → the names of the landlord and tenant
- → the address of the rental unit
- → the date the tenancy begins

The guarantee should also indicate the maximum amount of the guarantor's liability or state that the liability is unlimited. If the guarantee is for rent only, it should also show that the guarantor is responsible for rent arrears based on the present rent and on future rent increases.

A guarantee ends when the lease is up unless the guarantee specifically says the obligations of the guarantor continue with any tenancy agreement renewals. A guarantor is legally bound by the terms of the guarantee, as long as the terms are reasonable.

Tenants sometimes need to move before their leases or tenancy agreements are up. They have the right to assign or sublet their rental space to someone else, but it is important for tenants to know their rights and obligations in each situation before arranging for other housing.

There is a definite difference between assigning and subletting. Tenants who assign their rental units do not plan to move back in. Tenants who sublet move out for a while but plan to move back in later.

"Tenants should first talk to their landlords before finding someone to sublet or be assigned into their rental unit," says Linda Wray, manager, Client Services. "Landlords often have waiting lists of prospective tenants and could help resolve the situation."

Wray says tenants must get their landlords' written approval to assign or sublet a rental space. Landlords must be given reasonable notice of the tenant's plans. Tenants must also arrange and pay for any related advertising. Landlords can charge up to $40.00 for an assignment or sublet.

Landlords have the right to refuse tenancy to the prospective subletter or assignee after being given enough time to check references.

Once the landlord agrees to an assignment or sublet, they cannot withdraw their consent unless it is agreed — in writing — that consent depends on the results of a reference check.

For more information about assignments and sublets, visit our website www.residentialtenancies.mb.ca to see our Policies and Procedures Guidebook.

Parking has its Privileges

When rental units have assigned parking, the landlord must include the parking stall details in the written tenancy agreement whether the tenant uses it or not.

If tenants choose not to use their assigned stalls, they can:

- → allow guests to park in their space, after giving the vehicle plate number to the landlord
- → rent the stall to someone else, with the landlord's permission
- → allow the landlord to rent the stall to someone else

"Landlords may set reasonable rules for tenants' use of assigned and visitor parking stalls," says Linda Wray, manager of Client Services. "Tenants must be told about the parking rules and how they will be enforced, such as posting tow-away enforcement signs."

Landlords may also want to provide written details of the obligations for parking-related issues, such as snow clearing, block heater plugs and overnight guest parking rules.

For more information, consult your landlord or visit: www.residentialtenancies.mb.ca

Need information?

ONLINE
www.residentialtenancies.mb.ca

OFFLINE
in person or by phone

Visit your branch office Monday to Friday from 8:30 a.m. to 4:30 p.m.

Winnipeg at 302-254 Edmonton Street
or call **945-2476**

Brandon at 157-340 9th Street
or call **726-6230**

Thompson at 113-59 Elizabeth Drive
or call **667-6496**

Toll-free 1-800-782-8403

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